

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7171

BILL NUMBER: HB 2027

DATE PREPARED: Jan 30, 2001

BILL AMENDED:

SUBJECT: Programs for Expelled Students.

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FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (1) This bill requires a school corporation to provide an educational program for students who receive expulsions. It provides that a student's education program may include an assignment to attend various kinds of programs, including an educational program that the school corporation designs. It provides a funding grant administered by the Department of Education, establishes the amount of the grant as equal to the amount provided per pupil under current law for alternative education grants, and obtains funding from money appropriated under current law for alternative education grants. It provides that an expelled student's absence from the student's educational program is a violation of the compulsory school attendance laws. It provides for the payment of transfer tuition for transfer students who are expelled, and includes in the ADM of a school corporation those expelled students who receive educational services.

(2) This bill provides for the release of school records to a court that has juvenile or criminal jurisdiction over a student. It provides for notification of a student's principal by the court if the student is adjudicated to be a delinquent child or if the student is convicted of a criminal offense.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (1) The Department of Education could experience a minimal increase in administrative expenses associated with the provisions of this bill.

Grant Program- This bill does not make an appropriation for the grant program. However, it requires monies appropriated under current law for alternative education programs to be used for educational programs for expelled students at a maximum of \$750 per student.

For FY 2001, \$7.5 M was appropriated to the Department of Education by P.L. 273-1999 for alternative education programs. This bill would require that the Department of Education begin providing grants for educational programs for expelled students from this appropriation for school year 2002.

Currently, school corporations are awarded up to \$750 per full-time equivalent student (the maximum) for alternative education programs. It is likely that the Department of Education would be required to scale back this amount in order to fund the educational grant program for expelled students. (Expelled students already receiving an alternative education experience would not be counted by the school corporation for an educational grant in accordance with this bill.)

(2) This provision of the bill could result in a minimal increase in administrative expenses for institutions of higher education. The specific effects are currently indeterminable, would vary between institutions, and would depend upon the number of court requests for school records of students alleged to be or adjudicated as a juvenile delinquent, or charged with or convicted of an offense.

Explanation of State Revenues:

Explanation of Local Expenditures: (2) This provision of the bill could result in a minimal increase in administrative expenses for school corporations. The specific effects are currently indeterminable, would vary between school corporations, and would depend upon the number of court requests for school records of students alleged to be or adjudicated as a juvenile delinquent, or charged with or convicted of an offense.

In addition, school corporations could experience similar indeterminable increases regarding the dissemination of delinquency adjudication and conviction information made available by the county office of Family and Children.

Trial Courts- This provision of the bill would result in a minimal increase in administrative expenses for trial courts concerning notification requirements to public and nonpublic schools. In addition, counties could experience similar increases regarding the reporting of delinquency adjudication and conviction information to schools upon request. The specific effects are currently indeterminable, would vary between counties, and would depend upon the number of school requests for “statement of fact” information.

In CY 1999, 26,643 juvenile delinquency cases were filed in Indiana courts of record.

Explanation of Local Revenues: (1) All 294 school corporations would be eligible for grants regarding educational programs for expelled students at a maximum of \$750 per student. School corporations would be able to defray their increases in administrative time and cost regarding the provisions of this bill with these grants. However, the specific effects would depend upon the following: 1) future appropriations for alternative education programs; 2) grant amounts determined by the Department of Education for both alternative education programs and educational programs for expelled students; and 3) the number of expelled students who are already receiving an alternative education.

Existing Programs- Currently, there are approximately 300 alternative education programs conducted by 125 school corporations in Indiana. This bill would require that all school corporations provide some sort of alternative education to students who receive expulsions.

School corporations could experience a decrease in revenues relating to existing alternative education programs due to the Department of Education scaling back the current alternative education grant amount. The specific effects are currently indeterminable and would vary between school corporations.

A complete listing of State alternative education grant awards (received in CY 1999) by the 130 school corporations participating in the current grant program is available at the Legislative Services Agency.

ADM Counts- School corporations would be allowed to include expelled students in their average daily membership (ADM) count taken in September of each year and finalized in December for the purposes of the school funding formula. However, since students would need to be expelled before the count date on or about September 20 of a new school year, it is not likely that suspensions would be of a significant number.

However, students expelled for an extended period of time (such as one year) during the second semester, and included in the following year's ADM count under the provisions of this bill, could total approximately 2,050. Regardless (as is true under current law), school corporations would be able to keep dollars generated by the school funding formula for students expelled after the September count date for the school year.

Expulsion Background- For school years 1996 through 1998, respectively, the number of expulsions was 8,982; 9,340; and 10,229. For school year 1999, the number of expulsions was 9,263. Of this amount, 2,050 students were referred to and attended alternative education programs; 728 were referred to programs but did not attend; and 6,485 were not referred at all.

For the 2000 school year, Indiana's average daily membership (ADM) consisted of 951,410 students, and public school enrollment totaled 988,065. Approximately 1,900 public schools were in operation within Indiana's 294 school corporations during that time.

State Agencies Affected: Department of Education; Institutions of Higher Education.

Local Agencies Affected: School Corporations; Trial Courts.

Information Sources: Barbara Lucas, Department of Education, (317) 232-0579; DOE ORACLE Data Tables; 1999 Indiana Judicial Report.